

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF LOUISVILLE GAS	)	
AND ELECTRIC COMPANY'S RESIDENTIAL	)	CASE NO.
GAS MAIN EXTENSION POLICY AND	)	95-404
PRACTICES	)	

O. R. D. E. R.

In a separate proceeding,<sup>1</sup> the Louisville Gas and Electric Company ("LG&E") advised the Commission that it does not actively solicit customers for residential natural gas service, but instead relies upon "project champions" to survey persons for natural gas service. These "project champions" are local residents, usually unaffiliated with LG&E, who canvass their neighbors about the demand for natural gas service, collect the names of prospective customers, and relay information about LG&E services.

Given the customer complaints which this practice has generated,<sup>2</sup> the Commission finds that LG&E's residential natural gas main extension practices should be investigated to determine whether they are just, reasonable, adequate and sufficient.

The Commission, on its own motion, HEREBY ORDERS that:

1. This docket is opened to investigate the reasonableness, adequacy, sufficiency and legality of LG&E's current residential natural gas extension practices.

---

<sup>1</sup> Case No. 94-195, Gary A. Frye v. Louisville Gas and Electric Company.

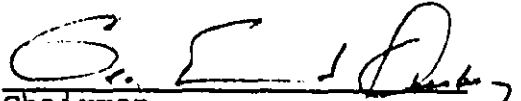
<sup>2</sup> See Case No. 95-345, Danny Brooks Brewer v. Louisville Gas and Electric Company; Case No. 95-367, James E. Pepper v. Louisville Gas and Electric Company.

2. The record of Case No. 94-195 is incorporated by reference into the record of this proceeding.

3. LG&E shall within 30 days of the date of this Order, file with the Commission an original and 10 copies of the information requested in the Appendix to this Order. Each copy shall be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately index; for example, Item 1(a), Sheet 2 of 6. LG&E shall furnish with each response the name of the witness who will be available at any public hearing to respond to questions concerning each area of information requested. Careful attention shall be given to copied material to ensure its legibility.

Done at Frankfort, Kentucky, this 11th day of October, 1995.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 95-404 DATED OCTOBER 11, 1995

1. Provide all internal rules and policies related to LG&E's current residential natural gas main extension practices.

2. a. How does LG&E determine when a residential gas main extension should be made?

b. When determining whether customer contributions should be required for a residential gas main extension, what factors does LG&E consider?

c. Under what circumstances will LG&E waive a requirement for customer contributions?

d. Under what circumstances will LG&E reduce a requirement for customer contributions?

e. How are adjustments to customer contributions made when additional customers are added after the initial applicants have made their contribution?

3. a. Provide the number of residential gas main extensions which LG&E made between July 1, 1990 through June 30, 1995, for each July 1 to June 30 period therein.

b. For each July 1 to June 30 period, list each extension in which LG&E required a customer contribution and state:

(1) the extension's location (county and street).

(2) the number of customers which the extension initially served.

(3) the date when construction began.

(4) the date when construction ended.

(5) total customer contribution which LG&E required.

(6) required customer contribution for each applicant.

(7) length of the extension.

(8) total cost of the extension.

(9) cost per foot of the extension.

(10) maximum number of customers which the extension could serve.

4. a. When did LG&E begin using the "project champion" concept?

b. Why did LG&E originate the project champion concept?

5. Who within LG&E is responsible for overseeing the project champion program?

6. a. List all complaints which LG&E has received about its project champions program.

b. For each complaint, describe how LG&E resolved this complaint.

c. Provide all written complaints and all correspondence and internal memoranda regarding these complaints.

7. Provide all correspondence, memoranda, and other internal documents in which the project champion program is discussed.

8. How are project champions selected?

9. a. What information does LG&E provide those persons who have been identified as "project champions"?

b. What LG&E employee is responsible for providing this information?

10. a. What training does LG&E provide those persons who have been identified as "project champions"?

b. What LG&E employee is responsible for providing this information?

11. a. What actions, if any, does LG&E take to coordinate the efforts of its project champions?

b. What LG&E official is responsible for the coordination of project champion efforts?

12. What access to prospective customer lists, if any, does LG&E give to project champions?

13. How does LG&E ensure that project champions treat every potential customer in a fair manner?

14. How does LG&E ensure that project champions correctly relate and explain LG&E's residential gas main extension policies and rules?

15. How does LG&E ensure that a project champion will not misuse or abuse his position for his own benefit and to the detriment of other potential customers?

16. How does LG&E ensure that prospective customers are fully informed that project champions are not representing LG&E in any official capacity?

17. Describe what actions LG&E takes after receiving a request for a residential gas main extension from a project champion.

18. What efforts does LG&E take after receiving a request for a residential gas main extension to evaluate the potential for consolidating requests for extensions?

19. How does LG&E determine the size of pipeline used for an extension when estimating the extension's cost for extension applicants?

20. If LG&E installs pipeline which is larger than that required to serve the total number of applicants for service, how does it record, allocate and track the extension's cost and the applicants' required contribution?

21. Compare LG&E's efforts to solicit customers for residential natural gas service with its efforts to solicit commercial and industrial customers for natural gas service. Explain any difference in LG&E's approach to these customer groups.

22. Does LG&E believe that the project champion concept is consistent with its obligation to provide reasonable utility service? Explain.

23. a. How many employees does LG&E assign to attract or solicit residential gas customers?

b. Identify these employees.

c. Do these employees have any additional duties besides soliciting residential gas customers? If yes, list and describe these duties.

24. How much money did LG&E budget in its 1995 fiscal year to attracting and soliciting residential gas customers?

25. a. How many employees does LG&E assign to attract or solicit industrial or commercial gas customers?

b. Identify these employees.

c. Do these employees have any additional duties besides soliciting industrial or commercial gas customers? If yes, list and describe these duties.

26. How much money did LG&E budget in its 1995 fiscal year to attracting and soliciting industrial and commercial gas customers?

27. a. Describe the actions which LG&E takes after receiving a request for a gas pipeline extension from a group of residential customers.

b. How does LG&E evaluate the request?

c. Describe the review or survey which LG&E conducts of the area from which a request for extension comes.

28. a. Has LG&E conducted any review of the residential gas extension policies and practices of other Kentucky utilities?

b. If yes, describe the results of this review.

c. If no review has been conducted, explain why not.